

## Union Budget 2022 Top 10 economic indicators

**9.2 percent** expansion in GDP in FY22  
**8–8.5 percent** projected GDP growth for FY23\*

RBI kept repo rate unchanged at **4 percent** since May 2020; continues with an accommodative monetary policy stance

Current account recorded a **0.2 percent** deficit in GDP in H1 FY22 on account of a rising trade deficit; forex reserves **touched US\$ 633.6 billion**, as of Dec 2021

Net FDI inflows amounted to **US\$ 24.7 billion** for April–November 2021, **29.5 percent** lower than those for April–November 2020

Fiscal deficit estimated to be at **6.9 percent** in FY22 compared with **9.3 percent** in FY21; the deficit budgeted to be at **6.4 percent** in FY23

CPI averaged at **5.2 percent** in April–December 2021, driven primarily by food inflation and high fuel prices

INR averaged at **74.28** in April–December 2021 against **74.63** in April–December 2020

Merchandise exports expanded by **49.7 percent** to **US\$ 301.4 billion** in April–December 2021, exceeding the pre-pandemic levels

\* Growth is measured on a year-over-year basis on real values.



Enhance **multimodal connectivity** through the expansion of roadways by 25,000 Kms and inclusion of 2,000 Kms of rail network under indigenous technology; develop eight ropeway projects and 100 cargo terminals

Amendments to the Insolvency and Bankruptcy Code to enhance the resolution process, including for **cross-border insolvency**; to establish a centre to reduce the process of voluntary winding up of companies to **six months**



International Arbitration Centre to be set up; and foreign universities permitted to operate in **GIFT City**

Launch of **digital rupee** using blockchain and other technologies in FY22-23; Scheduled Commercial Banks to set up 75 digital banking units; extend the core banking system to post offices



A committee or taskforce to be set up for **urban planning**, augmenting the **Animation, Visual Effects, Gaming, and Comic** sector, and reviewing the regulatory framework governing **venture capital and private equity** investments

**5G spectrum auction** proposed in FY22 along with the launch of a design-led manufacturing scheme (as part of the PLI scheme); contracts to be awarded for laying **optical fibre** in remote areas through Public-Private Partnership



Infrastructure status accorded to **data centres** and energy storage systems to facilitate credit availability

**Battery swapping policy** and inter-operability standards to be formulated; additional INR 195 billion to be allocated to PLI for manufacturing **solar PV modules**

Issuance of sovereign **green bonds** which will help reduce carbon intensity; set-up of government-backed funds for climate action, tech-based and agricultural initiatives; **defence R&D** opened up for private players through an SPV model

The **Emergency Credit Line Guarantee Scheme** for MSMEs extended up to March 2023 with an additional guarantee cover of INR 500 billion for hospitality and related enterprises

## Union Budget 2022 Top 10 tax highlights

No change to corporate or personal income tax rates; surcharge on specific AOPs and long-term capital assets transfer **capped to 15 percent**

Tax holiday extended for start-ups incorporated up to **31 March 2023** and for new manufacturing companies commencing operations by **31 March 2024**

**Virtual digital assets (VDA):** Gains taxed at 30 percent; deduction allowed only for cost of acquisition; benefit of set-off and carry forward of losses not available; deemed gift tax provisions to apply; tax deduction at source (TDS) at 1 percent introduced

Retrospective amendment to deny deduction of any **surcharge or cess** paid on income and profits

Expenditure to provide any benefit or perquisite to any person to be **disallowed** if its acceptance is in violation of any laws

International Financial Services Centre (IFSC): Income-tax exemption expanded to, *inter alia*, specified income of non-resident from lease of a ship to IFSC units; income of a non-resident from transfer of **specified derivative instruments**

Concessional tax regime on foreign sourced **dividends** to be withdrawn from FY22

Option to file an **updated income-tax return** on payment of additional taxes

Special Economic Zone Act to be **replaced** with a new legislation to enable the States' partnership in development of enterprise and service hubs, optimally utilise the available infrastructure, and enhance export competitiveness

Concessional customs duty on capital goods and project imports to be gradually **phased out** to support growth of the domestic capital goods sector